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COMMITTEE

# Budget Digest

*Chairman Steve Womack*

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## SKYROCKETING DEBT AND DEFICITS

One of the visible signs that the budget process is broken and badly in need of reform is the growing national debt. Members of the Joint Select Committee on Budget and Appropriations Process Reform have expressed frustration at the inability of Congress to address the debt. Because the budget process has been ineffective at controlling spending – specifically mandatory spending – the debt is dangerously on the rise.

### SIGNS OF THE PROBLEM

- **Growth of Debt:** Publicly held debt has averaged 41 percent of gross domestic product (GDP) over the last 50 years. Today, however, it has exploded to 78 percent of GDP, and CBO projects that without congressional action, its rapid growth will continue – reaching a massive 152 percent of GDP by 2048.
- **Existing Procedures:** Congress has not attempted to reduce the debt through its existing budget procedures in a meaningful way. Special procedures that have been created in the past have also failed. There is disagreement amongst the political parties about the use of reconciliation to reduce the debt.
- **Desire for New Bipartisan, Bicameral Procedures:** The need for a new and effective bipartisan and bicameral procedure is of extreme importance to address the nation's growing debt. The ideal platform to solve this issue should include all four major arms of Congressional leadership where all topics of relevance can be fully discussed, a required supermajority to formally report, and expedited procedures in the Senate if successful.
- **Missed Opportunities:** In recent years, Congress has had multiple opportunities to propose solutions to this growing issue. Whether it was the Simpson-Bowles National Commission on Fiscal Responsibility and Reform, a Presidential Commission created in 2010, the Congress Joint Select Committee on Deficit Reduction of 2011, or potential reconciliation bills, the answer to the problem has remained unanswered.

### NEED FOR REFORM

“The Federal Government is running very large annual deficits, and those deficits will grow in the future as the U.S. population ages and health spending continues to grow more rapidly than the economy. The current federal budget process is not helping Congress grapple with this fundamental challenge. Also, it does not facilitate an orderly and timely decision-making process. Congress wastes too much time on small and irrelevant matters, even as it fails to focus much attention on the issues of real budgetary consequence.”

-James Capretta, American Enterprise Institute  
May 24, 2018, Hearing Remarks

“This is not a game. This is about the fiscal health of this Nation. We are facing a fiscal crisis; 78 percent of GDP is now debt. We are looking at it going to 152 percent of GDP, according to CBO. That is trouble for our economy. It is trouble for resources. It is trouble for the American people and for all of the things we care about.”

- Secretary Leon Panetta  
July 12, 2018, Hearing Remarks